

FACT CHECK: PRESIDENT SPINS MORE INACCURACIES ON VETOED CHILDREN'S HEALTH INSURANCE BILL

Today President Bush spoke before the Lancaster Chamber of Commerce and defended his baseless veto of the bi-partisan Children's Health Insurance Program Reauthorization Bill. Below are highlights of the President's speech and the corresponding facts.

President Bush: "The problem is that the current program -- and by the way, there's about a half a million children who are eligible who aren't signed up. So I said, "Why don't we focus on the poor children rather than expand the program beyond its initial intent?"

REALITY: Research Shows 6 Million Children, Not 500,000, Are Eligible for Public Coverage But Are Not Enrolled. Much of the widely-accepted research on the number of uninsured children eligible for public coverage was conducted by the Health Policy Center of the Urban Institute. These researchers have estimated that six million uninsured children are eligible for public coverage, with approximately two million eligible for CHIP and four million eligible for Medicaid. [Kenney and Cook, *Coverage Patterns Among SCHIP-Eligible Children and Their Parents*, Urban Institute, February 2007]

REALITY: The Bi-Partisan CHIP Bill is Designed to Target the Same Kids the President Says He Wants to Cover. The measure ensures that states must cover their lowest-income kids first by phasing in a new requirement for coverage of low-income children as a condition of receiving CHIP funding for coverage of children above 300 percent of the poverty level. After October 1, 2010, federal matching payments are not permitted to States that cover children whose family incomes exceed 300 percent of poverty, if the State does not meet a target for the percentage of children at or below 200 percent of poverty enrolled in CHIP. The target rate would be the average rate of insurance coverage (public and private) among the highest-ranking 10 States. In reality, CHIP focuses virtually all of its resources on children in the poorest working families, fewer than 1 in 10 kids covered under CHIP lives in a family of four earning more than \$41,000 a year. In addition, our bill further prioritizes children by phasing non-pregnant adults out of the program. By vetoing the bipartisan bill, the President is continuing his policy of covering non-pregnant adults with CHIP money. [HR 976, 2007]

REALITY: Senator Orrin Hatch Argued 92 Percent of Kids Covered by the Bipartisan CHIP Bill Would Be Under 200 Percent of the Federal Poverty Level. "And for those who argue that it's out of control, 92 percent -- no less than 91 percent, but really 92 percent of all the kids who will be covered by this bill will be in families under 200 percent of the poverty level." [Press Conference, 10/3/07]

President Bush: "It is estimated by -- well, here's the thing, just so you know, this program expands coverage --- federal coverage -- up to families earning \$83,000 a year. That doesn't sound poor to me. The intent of the program was to focus on poorer children, not adults or families earning up to \$83,000 a year."

REALITY: No State Currently Covers Children at \$83,000 and The CHIP Reauthorization Agreement Does Not Raise the Eligibility Level To Encourage States to Cover Families up to \$83,000. The legislation targets funding to low-income children and actually reduces federal support for future coverage of children at higher income levels. There is nothing in the agreement that changes current law rules on interpretation and approval of appropriate income levels for eligibility above 200 percent of the federal poverty level (or 50 percent above a state's

Medicaid income cap) – *this decision remains one that the HHS Secretary makes*, just as in the original CHIP law written by a Republican-led Congress. [HR 976, 2007]

President Bush: “I believe in private medicine. I believe in helping poor people, which was the intent of SCHIP -- now being expanded beyond its initial intent. I also believe that the federal government should make it easier for people to afford private insurance.”

REALITY: The Bi-Partisan CHIP Compromise Combines the Best of Public and Private Approaches to Provide Health Coverage to Children. The Children’s Health Insurance Program is not an entitlement program, rather, a capped block grant program for states. The program affords states great flexibility to offer coverage as they choose. The great majority of CHIP programs are modeled after private insurance and use private plans to deliver benefits. CHIP’s structure in most states is similar to the Medicare prescription drug benefit, in which federal benchmarks and funds guide a program administered largely through private insurers. [HR 976, 2007; Center for Budget and Policy Priorities, 6/12/07]